

# SUMMARY ANALYSIS OF AMENDED BILL

## Franchise Tax Board

Author: Lempert Analyst: Gloria McConnell Bill Number: AB 2371

Related Bills: See Prior Analysis Telephone: 845-4336 Amended Date: 08/10/00

Attorney: Patrick Kusiak Sponsor:

**SUBJECT:** Board of Control/Franchise Tax Board Collection of Restitution Fines

DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as introduced/amended \_\_\_\_\_.

AMENDMENTS IMPACT REVENUE. A new revenue estimate is provided.

AMENDMENTS DID NOT RESOLVE THE DEPARTMENT'S CONCERNS stated in the previous analysis of bill as introduced/amended \_\_\_\_\_.

FURTHER AMENDMENTS NECESSARY.

☒ DEPARTMENT POSITION CHANGED TO Support.

☒ REMAINDER OF PREVIOUS ANALYSIS OF BILL STILL APPLIES.

☒ OTHER - See comments below.

### SUMMARY OF BILL

Under this bill, the dollar threshold for restitution fines that may be referred to the Franchise Tax Board (FTB) by the Board of Control (BOC) for the FTB court-ordered debt (COD) collection program would be lowered from \$250 to \$100. These referrals to FTB could be limited based on the current (computer system) capacity of FTB. These referrals to FTB would be implemented as a pilot project, subject to approval of the Director of the Department of Finance (DOF).

### SUMMARY OF AMENDMENT

This August 10, 2000, amendment makes the above change to the COD collection program by adding the provision as act language (off-code) rather than amending the Revenue and Taxation Code. Additionally, this amendment would require that the above-described referrals be implemented as a pilot project, subject to Director of DOF approval.

### EFFECTIVE DATE

This bill would be effective and operative on January 1, 2001.

### Implementation Consideration

This bill would not significantly affect FTB's operations or programs. FTB staff anticipates this bill would be implemented within FTB's existing COD collection program, subject to its current computer system capacity.

#### Board Position:

<input checked="" type="checkbox"/> S	<input type="checkbox"/> NA	<input type="checkbox"/> NP
<input type="checkbox"/> SA	<input type="checkbox"/> O	<input type="checkbox"/> NAR
<input type="checkbox"/> N	<input type="checkbox"/> OUA	<input type="checkbox"/> PENDING

Legislative Director

Date

Johnnie Lou Rosas

8/21/00

Departmental Costs

The provisions of this bill are not expected to increase the department's costs significantly. As required under current law, any costs would be reimbursed from the amount collected by FTB, and the costs could not exceed 15% of the amount collected on these BOC debts. As required by this bill, implementation is expressly subject to the approval of the Director of the DOF.

Board Position

At its July 5, 2000, meeting, the Franchise Tax Board voted 2-0 to support this bill, with member B. Timothy Gage abstaining.